

FEMA-HUD INTERAGENCY AGREEMENT

TERMS AND CONDITIONS

IAA Number HSFEHQ-08-X-1760

1.0 GENERAL DESCRIPTION OF AGREEMENT

These Terms and Conditions and the attached Statement of Work constitute an Interagency Agreement (IAA) between the requesting agency, Federal Emergency Management Agency (FEMA)/U.S. Department of Homeland Security (DHS), and the servicing agency, U.S. Department of Housing and Urban Development (HUD). Under the parameters of the FEMA-HUD Disaster Housing Assistance Program - Ike (DHAP-Ike), local Public Housing Agencies will be awarded grants from FEMA to administer the Program. FEMA will provide resources through March 13, 2010 for rental assistance, security and utility deposits, and case management services for approximately 30,000 families, as determined by FEMA, at a total estimated cost of \$478 million (see Appendix A). Funding for this program is the sole responsibility of FEMA. This agreement shall be effective on the award/effective date, and shall remain in effect until September 30, 2009, with the option to extend this IAA to March 13, 2010 based on mutual agreement of the parties, unless terminated in accordance with Termination provisions of this agreement. FEMA will provide funds from the disaster relief fund (DRF) to HUD to administer DHAP-Ike. The total duration of the Payable IAA, including the exercise of any options shall therefore not exceed March 13, 2010. Both parties reserve the right to extend, for 180 days, for program completion and close-out.

2.0 PURPOSE

The parties enter into this IAA in order that HUD, which has the expertise in administering various federal housing programs, may design, implement, and administer, on behalf of FEMA, a grant program called Disaster Housing Assistance Program - Ike to provide temporary housing rental assistance and case management to FEMA identified individuals and households displaced by Hurricane Ike. This program represents the means by which rental assistance will be provided under the Robert T. Stafford Disaster Relief and Emergency Assistance Act Section 408.

3.0 LEGAL AUTHORITIES

Legal authority for DHAP is based on the Department of Homeland Security's general grant authority under section 102(b)(2) of the Homeland Security Act, 6 U.S.C. § 112, and sections 408(b)(1), 426 and 306(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. § 5174(b)(1), § 5189d and § 5149(a), respectively.

Legal authority to enter into this agreement is based on the Economy Act, 31 U.S.C. § 1535. As set forth in the attached Determination and Finding pursuant to 48 CFR 17.503, it is in the best interest of the government to enter into this interagency agreement, under

the Economy Act, for the purposes of administering the DHAP program. These administrative services cannot be obtained as conveniently or economically by contracting directly with a private source. Further, should HUD determine that it is appropriate to enter into contracts in furtherance of its administrative responsibilities under this program, HUD and FEMA agree that HUD has capabilities and expertise to enter into such contracts which are not available within FEMA. HUD and FEMA also agree that HUD has currently existing supply or service contracts, entered into prior to this agreement; and HUD may rely upon such existing supply or service contracts for supplies or services that are the same or similar to those required by HUD in the performance of its responsibilities under this agreement.

4.0 DEFINITIONS

For purposes of this IAA, the following definitions apply:

Contracts: For purpose of this agreement, the means by which HUD may acquire property or services for the direct benefit or use of HUD in the administration of DHAP-Ike.

Disaster Housing Assistance Program - Ike (DHAP-Ike): As used in this agreement, DHAP-Ike is defined as the federal housing assistance program whereby HUD, on behalf of FEMA, is designing, implementing, and administering direct rental assistance, including security and utility deposits, and case management services, pursuant to the issuance of a presidential declaration of a major disaster relating to Hurricane Ike, to respond to disaster-related housing needs of individuals and households who are displaced from their pre-disaster primary residences or whose pre-disaster primary residences are rendered uninhabitable as a result of damage caused by the disaster.

Grants: For purpose of this agreement, the mechanism by which funds will be provided to Public Housing Authorities (PHAs) so that the PHAs may administer DHAP-Ike and provide direct rental assistance, including security and utility deposits, and case management services, for the benefit of individuals and families referred by FEMA to HUD.

Housing Costs: For purpose of this agreement, housing costs mean rent and/or mortgage payments, including principal, interest, real estate taxes, real property insurance, and the cost of utilities.

Inter-Agency Agreement (IAA): A written agreement entered into between two Federal Agencies, or major organizational units within an agency, which specifies the goods to be furnished or tasks to be accomplished by one agency (the servicing agency) in support of the other (the requesting agency).

Requesting/Receiving Agency: The Federal Emergency Management Agency (FEMA) of the U.S. Department of Homeland Security (DHS) is the requesting agency for this agreement.

Servicing Agency: The U.S. Department of Housing and Urban Development (HUD) is the servicing agency for this agreement to assist in administering the grants that FEMA enters into with the PHAs.

Public Housing Agencies (PHAs): Refers to those organizations, as used in the U.S. Housing Act of 1937, 42 USC § 1437a.

5.0 RESPONSIBILITIES

FEMA/HUD responsibilities include the following:

5.1 FEMA will create a grant program pursuant to the Department of Homeland Security's general grant authority under Section 102(b)(2) of the Homeland Security Act for purposes of establishing the Disaster Housing Assistance Program - Ike no later than September 30, 2008 and in accordance with all legal and regulatory requirements. This program will allow HUD, on behalf of FEMA, to provide housing assistance, including security and utility deposits, and case management services, to individuals and households through grants to PHAs.

5.2 HUD shall develop the Grant Agreement, with FEMA concurrence, which will be used by PHAs to govern the use of the grant funds. The Grant Agreement will acknowledge HUD's right to administer and enforce the provisions under this IAA, the Standard Operating Procedures, and the Grant Agreement. The Grant Agreement will require quarterly financial status reports from the PHAs. HUD will use those financial status reports to reconcile all funds provided to PHAs. This reconciliation will occur quarterly and HUD will offset funds as required by FEMA, under section 5.13, quarterly from the PHAs. HUD shall detail a grant manager and a back-up grant manager to FEMA both of which shall be given the authority to sign grant agreements on FEMA's behalf. HUD will identify these two detailees and provide resumes that detail their relevant grant experience prior to those employees being detailed. HUD will also notify FEMA of any changes to these detailees 90 days prior to the change and identify new staff. Two full-time staff shall be located in the HUD building in order to expedite the grant process with PHAs. Only staff detailed to FEMA have the authority to execute DHAP-Ike grant agreements on behalf of FEMA. These two full-time staff shall be located in the HUD building in order to expedite the grant process with PHAs.

5.3 FEMA shall make initial determinations of Individual and Households Program (IHP) rental assistance eligibility and provide HUD with the names of these families no later than October 15, 2008. FEMA will continue, as necessary, to make IHP initial eligibility determinations after the October 15, 2008 date and provide HUD with the names of eligible families, as required by HUD.

5.4 FEMA will provide 15 days notice to Congress for the creation of this grant program and any reprogramming of funds, pursuant to General Provision 503 of the Department of Homeland Security 2008 Appropriations Act (P.L. 110-161).

5.5 HUD will, under the terms of this interagency agreement, have the authority to design, implement, and administer the new grant program on behalf of FEMA, subject to FEMA concurrence. HUD is hereby authorized to prepare the Grant Agreement template and a list of grantees (PHAs) which will implement the program locally. Once approved, HUD may use this template without further FEMA approval. Any modification to the template requires prior FEMA approval. HUD shall develop and execute, as needed, all documents necessary to implement the DHAP-Ike. FEMA must approve the grant

agreement template and any modifications to the grant agreement prior to HUD issuing the agreements. The grant agreements must include a requirement for quarterly reconciliation and return of funds. Any agreements issued by HUD without FEMA's prior approval of the wording will not carry the legal authority provided by FEMA for DHAP-Ike

5.6 In the event that any PHA is unwilling or unable to accept grant funding, HUD will designate another intermediary agency with the ability and legal capability to accept and administer the DHAP-Ike assistance on behalf of individuals and households. On a quarterly basis, PHAs that are unwilling or unable to participate must return all funds provided for any services not rendered.

5.7 HUD will operate this program in accordance with Standard Operating Procedures (SOPs) developed by HUD, and which shall be submitted to FEMA for concurrence by October 10, 2008. The SOPs will include HUD's provision of rental assistance, security and utility deposits, means testing to exclude families whose housing costs, starting no later than August 1, 2009, do not exceed 30% of post-disaster gross income, from continued eligibility, up to two months of rental payments for early lease termination, reasons for termination from the program, hardship provisions, as well as case management requirements. HUD may make changes to SOPs during the course of the program, with FEMA concurrence, as needed for the proper implementation of the program. The SOPs will also include the necessary contract documents and lease addendums needed for the proper implementation of the program. It is acknowledged that PHAs shall not have the ability to make payments to landlords until the necessary contractual documents are executed between the PHA and the landlord. Upon initial referral of families from FEMA to HUD, and until such documents are executed, it shall be FEMA's sole responsibility to continue to pay rental assistance on behalf of those families for a specified period not to exceed May 1, 2009. As the SOPs are critical to the timely and successful operation of this program, the parties agree that FEMA's lack of response within 10 working days of initial submission of the SOPs shall be deemed concurrence by FEMA. Any SOPs that are not in compliance with any section of this IAA must be modified by HUD to comply with the IAA (i.e. quarterly reconciliation).

5.8 No later than October 15, 2008, FEMA will obligate to HUD the initial \$10.70 million for the first year of HUD's administrative costs and shall obligate to HUD the additional \$7.276 million no later than July 1, 2009. This obligation is contingent upon an exercise of the option set forth in Section 1.0. HUD's administrative costs will include, but not be limited to, salaries and benefits, overtime, travel, communications, equipment, Information Technology, and other related services associated with the administrative needs of the program whose estimated cost will be approximately \$17.972 million (see Appendix A).

5.9 By October 15, 2008, FEMA/DHS will make available from the DRF up to \$151,496,850 (see Appendix A) in grant funds (including funds for HUD administrative costs as described in 5.8) to cover housing assistance payments, PHA administrative fees, and case management services for up to 30,000 initial families referred to DHAP-Ike during the first three months of the program ending January 31, 2009. This initial funding will also cover PHA placement fees, rental fees, and utility deposits for an estimated 20,000 households. FEMA will immediately make available the necessary additional funds should the referred/serviced population subsequently exceed 20,000

households. FEMA will also provide any additional necessary funding in the same manner described herein for families (that exceed the 30,000 baseline estimate) determined eligible by FEMA subsequent to the November 1, 2008 transition date. FEMA/DHS will then obligate sufficient additional grant funds to fully fund all grant agreements in at least 3-month (quarterly) increments in advance of payments due to PHAs. FEMA's funding will enable the PHAs to provide seamless coverage to all qualifying families for the entirety of the program until March 13, 2010, subject to the availability of funds. All modifications to grant agreements shall also be subject to HUD and FEMA concurrence. The provision of additional funds will be subject to the reconciliation required by section 5.13.

5.10 After FEMA has obligated the funds to the PHAs, HUD will execute the applicable disbursements to the PHAs through HUD's payment system. HUD, under its Agency Location Code (ALC), will request payment by the Department of the Treasury on behalf of FEMA. The payments by the Department of the Treasury will be credited against the appropriate FEMA Treasury Account Symbol (TAS). HUD will provide to FEMA, on a monthly basis, necessary detail to enable FEMA to properly reconcile the disbursements against the obligations FEMA previously recorded.

5.11 FEMA shall retain responsibility for meeting the financial reporting requirements for the overall program in FEMA's financial statements. HUD shall be responsible for monitoring the financial and performance reporting of all grantees. HUD must require quarterly Voucher Management System reports from PHAs. HUD must reconcile all funds provided to PHAs quarterly. HUD must recoup on a quarterly basis any funds provided to PHAs for services that will not be rendered by that PHA. HUD will redistribute those funds to the PHAs only for the purposes of DHAP-Ike.

5.12. HUD will provide to FEMA at a minimum the following documents to meet DHS' financial reporting and audit requirements:

- a. Organization Chart and listing of appropriate personnel (including phone numbers and email) to update grant process documents
- b. Copies of Grant Administration SOPs
- c. Monthly electronic file of grant disbursements
- d. Monthly electronic file of grant accounts payable
- e. Monthly electronic file of grant accruals
 - i. Validation of the Estimate
- f. Monthly electronic file of grant receipts
- g. Monthly electronic file of grants that are financially closed
 - i. At minimum
 1. Grant number
 2. Program number
- h. Monthly electronic program status reports in data files shall be provided within 21 calendar days after the end of every month starting January 1, 2009 and shall include:
 1. A list of those applicants housed by name and FEMA registration ID. Upon FEMA's request, HUD shall provide the applicant address, landlord information, rent, utilities, and security deposit amounts provided for each applicant, and which PHA or other third party that is paying those costs.

2. A list of applicants no longer being housed by name and FEMA registration ID, the ending date of their assistance, and the reason why their assistance was discontinued.
 3. Management Summary reports on case management outputs and resident outcomes reported to HUD by the PHAs.
- i. A list of troubled PHAs, as determined through the Single Audit under OMB Circular A-133 and other administrative measures performed by HUD's Public Housing Assessment System (PHAS) and Section Eight Management Assessment System (SEMAP), on a quarterly basis.
 - j. In addition to the item detailed a through i, HUD agrees to provide information to FEMA required for its annual audited financial statements, the Improper Payment Act, the OMB Circular A-123 requirements, and any other OMB reporting requirements

5.13 Prior to requesting additional quarterly program funding from FEMA, excluding HUD administrative expenses, HUD shall provide documentation showing funds expended, funds remaining, and projected requirements for the upcoming quarter. This documentation will include the number of families currently enrolled in the programs and the anticipated changes for the next quarter. Overpayments by FEMA in any quarter will be applied by HUD to offset the requested additional funding for the upcoming quarter. Separately, HUD shall provide detailed information, at least quarterly, on HUD's administrative costs.

5.14 HUD shall develop and provide to FEMA the necessary waivers from existing federal requirements, both grantee requirements and requirements of the federal agency, necessary to implement DHAP-Ike, in accordance with the SOPs, to be submitted to the Office of Management and Budget by FEMA for approval. These waivers shall be to more closely align DHAP-Ike with the disaster voucher programs managed by HUD. The justification for these waivers is that the DHAP is substituting one complete oversight and compliance framework for another that has been well tested and well received under HUD's implementation of current programs to the PHAs. This IAA is contingent upon OMB approval of the requested waivers. HUD is responsible for compliance with all Federal grant requirements on the Federal Agency that OMB does not waive.

5.15 Public Housing Agencies (PHAs) shall receive a one time placement fee of \$1,000 per family once the PHA and the landlord entered into a disaster rental assistance contract on behalf of the family. The PHAs will also earn a flat fee for the administration of this program equaling \$1,000 for each family referred by HUD payable in three quarterly increments. Starting August 1, 2009, PHAs will earn a monthly administrative fee equaling 14% of the initial Housing Assistance Payment for each family still being assisted under a disaster rental assistance contract for the duration of the program.

6.0 PUBLICITY

The parties agree to coordinate all public statements and other disclosures with regard to the IAA. The parties further agree that no party to the IAA may enter into any publicity regarding the IAA unless it has consulted with the other party in advance and received prior agreement regarding the form, timing and contents of any such publicity, announcement or disclosure. HUD shall provide FEMA timely program information,

points-of-contact for referrals, and “canned” public statements for FEMA to use in responding to public inquiries, including from applicants and landlords.

7.0 AMENDMENT/MODIFICATION

This agreement may be formally amended or modified in writing by the mutual agreement of the parties.

8.0 CANCELLATION/TERMINATION

This agreement may be terminated by either agency by giving the other agency at least 60 calendar days advance written notice in order to provide each agency time to adjust their planning and budgeting. Should this agreement terminate, HUD shall return to FEMA all unexpended funds made available, subject to final settlement.

9.0 OPTION TO EXTEND SERVICES/TERM OF THE AGREEMENT

The requesting agency may exercise the option identified in Section 1.0 by written notice to the servicing agency provided that the requesting agency shall give the servicing agency a preliminary written notice of its intent to exercise the option at least 90 calendar days before the agreement expires. The preliminary notice does not commit the requesting agency to an extension. Exercise of options shall be contingent upon the continued need for the services and the availability of funding for the next fiscal year.

10.0 REGULATIONS

There are no promulgated programmatic regulations for this new pilot grant program.

11.0 LITIGATION LIABILITY

FEMA is responsible for defending against all litigation related to the program where that litigation arises from alleged acts or omissions that occurred after the effective date of this agreement, if that litigation is based entirely upon alleged acts or omissions of FEMA, including but not limited to, determinations of participant eligibility.

HUD is responsible for defending against all litigation founded upon or related to the program where that litigation arises from acts or omissions that occurred after the effective date of this agreement, where that litigation is based entirely upon alleged acts or omissions of HUD. In litigation that HUD defends, FEMA will provide all necessary support to HUD, including but not limited to, full and timely access to FEMA documents and FEMA personnel. Similarly in litigation where FEMA defends, HUD will provide all necessary support to FEMA, including but not limited to, full and timely access to HUD documents and HUD personnel. FEMA will reimburse HUD for all reasonable litigation costs incurred by HUD, including but not limited to costs for document reproduction, deposition transcripts, court transcripts, attorney fees, attorney travel costs, services of a litigation support contractor, and the costs of expert witnesses. This provision recognizes that DOJ may pay judgments, litigation costs, expert witness fees and other litigation expenses from the judgment fund and does not contemplate reimbursement to HUD for costs paid by the DOJ. FEMA’s responsibility to reimburse HUD’s litigation costs is in addition to any other monetary obligations created by this agreement.

FEMA is solely responsible for the satisfaction of any and all judgments in all litigation related to the program, including but not limited to costs, interest, and attorney fees. FEMA's responsibility to satisfy judgments and pay costs, interest, and attorney fees specifically includes cases that were defended by HUD. This obligation may be met by payment from FEMA or by payment from the judgment fund where appropriate. FEMA's responsibility to satisfy judgments and pay costs, interest, and attorney fees is in addition to any other monetary obligations created by this agreement.

Personnel actions, including actions before the MSPB, EEOC, Office of Special Counsel, or any other administrative tribunal or court brought by a HUD employee or contractor are not considered litigation related to or arising out of this IAA.

12.0 PROGRAM ADMINISTRATIVE NOTICE

FEMA shall issue and publish in the Federal Register, no later than October 31, 2008, a Notice setting forth a description of, and authority for, the program and shall further set forth in the Notice that HUD, as a servicing agency, derives all authority under the program from FEMA and that any and all actions originate from FEMA's authority. The rights and obligations described in the Notice shall include description of the \$50 per month per family incremental, rent-transition decrease, beginning May 1, 2009, excluding families approved under the program hardship provisions.

HUD shall issue and publish in the Federal Register, no later than October 31, 2008, a Notice setting forth the operating requirements of the DHAP-Ike program along with the necessary contract and lease addendums to be used by PHAs participating in the program.

13.0 DISPUTES

Nothing in this agreement is intended to conflict with current requesting agency, servicing agency or Treasury directives. However, should disagreement arise as to the interpretation of the provisions of this agreement that cannot be resolved among the requesting and servicing agencies' Contracting Officers and Government Technical Monitors, the area(s) of disagreement will be reduced to writing by each agency and presented to the authorized officials at the respective agencies for resolution. If settlement cannot be reached at this level, the disagreement will be raised to the next level for oversight in accordance with servicing agency and requesting agency procedures for final resolution.

14.0 FUNDING

Not later than October 15, 2008, or as otherwise modified by written agreement of the parties, as set forth in the attached DHS-Form 710-1A and program budget, the requesting agency shall obligate the amount stated in Clause 5.8 above to the servicing agency for agency administrative expenses. The servicing agency is limited to actual costs only. The availability of funds provided under this agreement will be no-year.

The servicing agency shall make no other commitments or expenditures beyond 100% of funds made available under this IAA and shall obligate and expend any funds received under this IAA for the specified purposes only.

15.0 PROPERTY

Non-expendable property purchased from funds supplied under this agreement shall become an asset of the Requesting Agency unless otherwise agreed to in writing by both agencies. Purchase of equipment that is required for performance of the work must be authorized under this IAA.

16.0 DURATION OF IAA

The total duration of this IAA, including the exercise of any options shall not exceed March 13, 2010 and provide for an additional 180 days for grant close out purposes. FEMA's exercise of its option under this agreement shall be contingent upon the continuation of the need for the DHAP-Ike program for the next fiscal year and availability of funding.

17.0 BILLING/PAYMENT TERMS FOR HUD ADMINISTRATIVE COSTS

Payment and collections for HUD administrative expenses shall be handled through the Intra-governmental Payment and Collection (IPAC) system. The Payable IAA number, the Agency Locator Codes, appropriate accounting code(s), and associated dollar amounts must be referenced on all IPAC transactions. The servicing agency shall provide documentation supporting all charges to the requesting agency's TM on a monthly basis.

Required Treasury Fields

ALC Transaction Contact (Technical COTR/POC)

Contact Phone

Purchase Order Number

Invoice Number

Sender's Treasury Account Symbol

Receiver's Department Code

Obligating Document Number (FEMA's)

Sender's SGL Transaction

Transaction Description filed should identify if advance or disbursement

	FEMA	HUD
Common Agreement Number	HSFEHQ-08-X-1760	HSFEHQ-08-X-1760
Treasury Account Symbol	70X0702	86X0143
Business Partner Network or DUNS	03-775-1583	042080940
Business Events Type Code		DISB

New IPAC transactions will not be initiated or accepted during the last three business days of the month. Only adjustments entered or charged will be accepted. Additionally, the receiving agency has the right to reverse any transaction that does not contain the required information referenced above or exceeds authorized funding.

Both agencies agree to comply with the applicable intragovernmental business rules prescribed in Treasury Financial Manual, Vol I, Bulletin No. 2007-03, promptly

discussing and resolving issues and questions regarding payments and reconciliation of intergovernmental transactions. The servicing agency will promptly initiate year end and closeout adjustments, as appropriate, once final costs are known.

18.0 REPORTING REQUIREMENTS FOR HUD ADMINISTRATIVE EXPENSES

HUD shall provide to FEMA quarterly financial status reports. HUD shall also maintain records relating to expenditures in sufficient level to allow identification of the nature of the expenditures made, and HUD representatives shall make these records available for inspection.

- a. Quarterly financial status reports shall include work performed and administrative funds remaining and unexpended for all funding provided under this IAA. Quarterly status reports shall be provided by the third workday after the end of each Federal fiscal year quarter in which services were provided under this IAA or until services under the IAA are no longer needed, whichever is sooner.
- b. A final financial status report shall be provided no later than 180 days after the completion of this IAA.

19.0 PROJECT COMPLETION AND CLOSE-OUT

When the servicing agency has completed performance under this agreement, the servicing agency will provide a written project evaluation and final accounting of project costs to the requesting agency's Contracting Officer/ Government Technical Monitor. The servicing agency account will then be closed and any remaining funds will be returned to the requesting agency immediately. After final accounting, the remaining balance in the project account will be de-obligated by Payable IAA modification.

This IAA expires no later than March 13, 2010 except for the additional 180 days close-out period.

20.0 AGENCY POINTS – OF - CONTACT

FEMA POC

Mark Misczak
Chief, Individual Assistance Program and Policy Branch
Individual Assistance Division
Disaster Assistance Directorate
Federal Emergency Management Agency
U.S. Department of Homeland Security
500 C Street SW
Washington DC 20472
202-212-1159
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HUD POC

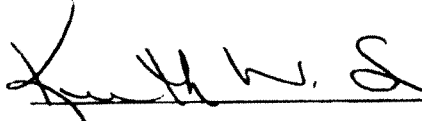
David A. Vargas
DHAP Government Technical Monitor (GTM)
Director
Office of Housing Voucher Programs, PIH
U.S. Department of Housing and Urban Development
451 7th Street, SW, Room 4206
Washington, DC 20410
202-402-6192
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21.0 ACCESSIBILITY OF ELECTRONIC AND INFORMATION TECHNOLOGY

Each Electronic and Information Technology (EIT) product or service furnished under this agreement shall comply with the Electronic and Information Technology Accessibility Standards (36 CFR Part 1194), which implements section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794d). Unless otherwise agreed to in writing by both parties, any IT equipment purchased by HUD in support of this IAA shall become the property of FEMA upon conclusion of this IAA.

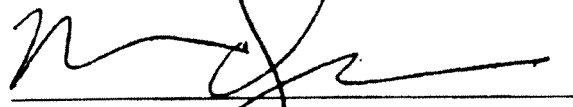
AUTHORIZED SIGNATURES

FOR HUD:



KEITH W. SURBER, CONTRACTING OFFICER, HUD


DATE 9/23/08



MILAN M. OZDINEC, DEPUTY ASSISTANT SECRETARY,
OFFICE OF PUBLIC AND INDIAN HOUSING

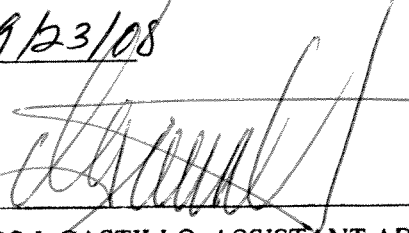
DATE 9/23/08

FOR FEMA:



NANCY GUNDERSON, CONTRACTING OFFICER, FEMA
NANCY COSTELLO

DATE 9/23/08



for CARLOS J. CASTILLO, ASSISTANT ADMINISTRATOR
DISASTER ASSISTANCE DIRECTORATE

DATE 9/23/08

IKE IAA SUMMARY

Appendix A

FEMA IAA: 18 months for 30,000 families

Housing Assistance Payments & PHA Admin fees	\$346,070,350
Initial Placement fee	\$30,000,000
Rental and utility deposits	\$40,500,000
HUD Administrative costs	\$17,972,226
Case Management:	\$43,590,000
Total Cost including case management:	<u><u>\$478,132,576</u></u>

Initial Funding Requirements:

	3 months	
HAP costs and PHA fees through 1/31/2009:	\$ 84,980,200	paid first 3 months assumed only 20,000 families
Initial Placement fee	\$ 20,000,000	initially assumed 2/3 of costs because
Rental and utility deposits	\$ 27,000,000	initially estimating 20,000
HUD Start up costs (Year 1 only):	\$ 10,696,650	paid first year costs
Case management through 1/31/09:	\$ 8,820,000	paid first 3 months
Total Initial Funding	<u><u>\$ 151,496,850</u></u>	

On-Going Monthly HAP and Adm Fee Costs:

Category 1 Families						
Families	Monthly HAP Cost	Monthly Unprorated HAP	On-going PHA Admin Fee	Total Monthly Costs	Cummulative Monthly Costs	
30,000	\$850	\$25,500,000	\$10,000,000	\$35,500,000	\$35,500,000	Month 1
29,400	\$850	\$24,990,000	\$0	\$24,990,000	\$60,490,000	Month 2
28,812	\$850	\$24,490,200	\$0	\$24,490,200	\$84,980,200	Month 3
28,236	\$850	\$24,000,600	\$10,000,000	\$34,000,600	\$118,980,800	Month 4
27,671	\$850	\$23,520,350	\$0	\$23,520,350	\$142,501,150	Month 5
27,118	\$850	\$23,050,300	\$0	\$23,050,300	\$165,551,450	Month 6
26,576	\$800	\$21,260,800	\$10,000,000	\$31,260,800	\$196,812,250	Month 7
26,044	\$750	\$19,533,000	\$0	\$19,533,000	\$216,345,250	Month 8
25,523	\$700	\$17,866,100	\$0	\$17,866,100	\$234,211,350	Month 9
25,013	\$650	\$16,258,450	\$2,976,547	\$19,234,997	\$253,446,347	Month 10
24,513	\$600	\$14,707,800	\$2,917,047	\$17,624,847	\$271,071,194	Month 11
24,023	\$550	\$13,212,650	\$2,858,737	\$16,071,387	\$287,142,581	Month 12
23,543	\$500	\$11,771,500	\$2,801,617	\$14,573,117	\$301,715,698	Month 13
23,072	\$450	\$10,382,400	\$2,745,568	\$13,127,968	\$314,843,666	Month 14
22,611	\$400	\$9,044,400	\$2,690,709	\$11,735,109	\$326,578,775	Month 15
22,159	\$350	\$7,755,650	\$2,636,921	\$10,392,571	\$336,971,346	Month 16
21,716	\$300	\$6,514,800	\$2,584,204	\$9,099,004	\$346,070,350	Month 17
0	\$250	\$0	\$0	\$0	\$346,070,350	Month 18
Total		\$293,859,000	\$52,211,350	\$346,070,350		

- (a) Assumes 30,000 families starting November 1, 2008 with a 2% per month attrition rate
- (b) Assumes an initial \$850 per month HAP cost on average
- (c) Assumes a \$1,000 initial placement fee for entering into DRSCs, inspections, etc.
- (d) Assumes a flat \$1,000 admin fee to PHAs for management of the program during the first nine months followed by a monthly fee of 14% of initial HAP for on-going management after 9 months.
- (e) Number of families assisted are based on HUD assumptions of decreased family participation of 2% per month
- (f) Eliminated 18th month because it is a 17 month program.

S&E Budget			<u>FY 2009</u>	<u>FY 2010</u>	<u>Total</u>
	<u>FTE</u>	<u>Pay Periods</u>			
Salary & Benefits (BOC 1100) *	21	26	\$ 2,591,400	\$ 2,591,400	\$ 5,182,800
Overtime (BOC 1170) **	21	13	\$ 110,000	\$ 55,000	\$ 165,000
Personal Services			\$ 2,701,400	\$ 2,646,400	\$ 5,347,800
Travel (BOC 2100)	21	13	\$ 1,160,250	\$ 1,188,096	\$ 2,348,346
Printing (BOC 2400)			\$ 25,000	\$ 25,600	\$ 50,600
IT & Other Services (Contract Costs) (BOC 2500)					
Program support			\$ 3,540,000	\$ 1,770,000	\$ 5,310,000
Case management support			\$ 1,750,000	\$ 875,000	\$ 2,625,000
Call center support			\$ 500,000	\$ 250,000	\$ 750,000
IT system support			\$ 1,000,000	\$ 500,000	\$ 1,500,000
Supplies (BOC 2600)			\$ 20,000	\$ 20,480	\$ 40,480
Non-Personal Services			\$ 7,995,250	\$ 4,629,176	\$ 12,624,426
TOTAL			\$ 10,696,650	\$ 7,275,576	\$ 17,972,226

*Salary & Benefits is based on the average annual FTE cost as set by CFO, i.e. \$123,400 for FY 2008.

** Overtime based on GS-13 step 5 (\$45 per hour working the maximum of 48 hours per pay period)

CASE MANAGEMENT DETAIL

Families	Number of Case Mgrs Required	Monthly Cost per Case Mgr	Monthly Cost	Cumulative Cost		
30,000	600	\$5,000	\$3,000,000	\$3,000,000	Month	1
29,400	588	\$5,000	\$2,940,000	\$5,940,000	Month	2
28,812	576	\$5,000	\$2,880,000	\$8,820,000	Month	3
28,236	565	\$5,000	\$2,825,000	\$11,645,000	Month	4
27,671	553	\$5,000	\$2,765,000	\$14,410,000	Month	5
27,118	542	\$5,000	\$2,710,000	\$17,120,000	Month	6
26,576	532	\$5,000	\$2,660,000	\$19,780,000	Month	7
26,044	521	\$5,000	\$2,605,000	\$22,385,000	Month	8
25,523	510	\$5,000	\$2,550,000	\$24,935,000	Month	9
25,013	500	\$5,000	\$2,500,000	\$27,435,000	Month	10
24,513	490	\$5,000	\$2,450,000	\$29,885,000	Month	11
24,023	480	\$5,000	\$2,400,000	\$32,285,000	Month	12
23,543	471	\$5,000	\$2,355,000	\$34,640,000	Month	13
23,072	461	\$5,000	\$2,305,000	\$36,945,000	Month	14
22,611	452	\$5,000	\$2,260,000	\$39,205,000	Month	15
22,159	443	\$5,000	\$2,215,000	\$41,420,000	Month	16
21,716	434	\$5,000	\$2,170,000	\$43,590,000	Month	17
0	0	\$5,000	\$0	\$43,590,000	Month	
Total			\$43,590,000			

- (a) Assumes a case management workload of one case manager for each 50 families
- (b) Assumes an annual salary plus benefits of \$60,000 per year similar to HUD FSS Coordinators
- (d) Assumes case management will begin on November 1, 2008
- (e) Fema eliminate month 18 because it is a 17 month program